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SUBJECT: Legislative Yuan [redacted] Comments on Kuomintang Affairs.

On the evening of November 6 for several hours during and after dinner at his home, [redacted] of the Legislative Yuan, discussed Kuomintang affairs, particularly with reference to the recent Seventh National Party Congress. In view of his close relationship with President CHIANG Kai-shek, his prominence in the Kuomintang and the C-C Clique for more than two decades and his present position in the Government, Dr. Chang's observations may be of special interest and reliability. A summary of his remarks follows.

When the Kuomintang was established it was modeled after the Russian Communist Party but modified to conform with Chinese conditions and traditions, as well as concepts of Western political parties. Over the years the Party's top central organization and membership grew to unduly large numbers. The membership of the Central Executive Committee and Central Advisory Committee grew from a total of 60 in 1929 to more than 500 in 1949. By 1949 the Party members totaled approximately 5,000,000. Unfortunately, however, a considerable number of Kuomintang officers were indifferent and incompetent in the performance of their duties and not a few of them were corrupt. The excessive number of Central Executive Committee-men, especially, made for unwieldy operations and lack of close control at the Party's top level. This circumstance resulted in a generally loose, undisciplined Party organization and in lack of effort, interest and honesty among many Party members. Party members regarded KMT affiliation as advantageous to them but did not accept obligation to advance the Party's interests through service and loyalty to it.

Dr. SUN Yat-sen in 1924 had agreed that members of the Communist Party might also join the Kuomintang; by 1927 when the Kuomintang broke with the Communists the Kuomintang had been thoroughly infiltrated by Communists. The number of Communists who appeared in the Kuomintang in the latter days on the mainland were not recent converts to Communism and defectors from the Kuomintang because of Communist military successes in China -- they had been in the Kuomintang all

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along -- for 25 years.

When the Kuomintang Reform Program was inaugurated in Formosa in August 1950 one of its chief aims was to purify the Party of Communist or Communist-inclined members. With the "small group" hsiao tzu () as the basic unit of KMT organization, members of the small group (which should not have more than 15 persons) were specially charged with responsibility to detect Communist or pro-Communist elements among themselves and in the community. When a primary schoolteacher or a university professor was believed to be a Communist or a fellow-traveler he was usually not denounced as long as he merely held subversive views but took no action harmful to the Chinese Government. He was, however, closely watched. If he did begin subversive activities, then he was exposed and arrested. (The reporting officer inferred from what [redacted] said and the way in which he spoke that [redacted] Chang meant to imply that there are Communists and pro-Communist persons at large on Formosa but that most of them are known and under close surveillance.) 3, (4)

In seeking to purify the Party, those members who have shown themselves incapable, lackadaisical or corrupt have been expelled. In the future persons who wish to join the Party will have to establish their sincere interest in its program and their willingness to work for the Party -- not just to belong to it. It is intended that every member should actively join in Party affairs or energetically work in activities sponsored by or related to the Party. There is no desire to fill up the Party with sluggards.

During the reform period the Party stressed the addition to its ranks of young men and women; such emphasis will continue in the future. An evidence of intention to make the Party more youthful is the fact that the average age of the 32 regular and 16 alternate members of the new Central Committee is around 45 years. [redacted] the youngest being an alternate member aged 29 years.

The establishment of the China Youth Anti-Communist National Salvation Corps, "which belongs to the Ministry of National Defense" and is directed by General CHIANG Ching-kuo, is one of the measures the Kuomintang is taking to enlist the youth of Formosa in the forthcoming struggle for the mainland.

Another reason for wanting younger people in the Party is the need for vigorous, patriotic men and women who can accompany the troops to the mainland and do political work in areas freed from the Communists. While mainland Chinese older than

25 or 30 years may not have been too seriously affected by Communist propaganda, the youth of China has already been so poisoned by this indoctrination that their re-education will be a very great problem. To undertake their re-education will require many cadres from Free China, so the Party must give great attention to this need.

Life would be meaningless for [redacted] and for most mainlanders if there was no prospect of returning to mainland China. The efforts and sacrifices his fellow mainlanders make are directed towards the recovery of their homeland. 301(5)

The Chinese military establishment numbers approximately 500,000 men. Of this number perhaps not more than one half are combat forces. When the mainland is attacked, it will be necessary to have reserves and these reserves can come only from Formosan recruits. However, the Formosans are not politically conscious, they are not aroused to the menace of Communism and they are not concerned about the reconquest of the mainland. They waver between approval of things Chinese and things Japanese. One of the main objectives of the Kuomintang is to gain the support of the Formosans for the recovery of the mainland through making them realize that Formosa is part of China and that the loss of the mainland is their loss, too, just as Chinese culture is part of their heritage. To awaken them to these facts, it is necessary to dispel the idea that because the United States Seventh Fleet is presently in the Formosa Strait the danger of a Chinese Communist invasion has ended and that the nation may pass from a war-time to a peace-time footing.

[redacted] was much impressed with the news report that when Governor STEVENSON conceded defeat in the presidential race, among his supporters, "men were sad and women wept". This could never happen in China. If President Chiang were to lose the presidency in an election, some women might weep but it would be because they feared that the change might mean a Chinese Communist attack on Formosa and a threat to their lives and property., they would not weep because they were so moved at the thought that the best man had not been chosen to head the nation. The average Chinese viewed life too personally to become exercised over so remote a phenomenon as which of two strangers won out in an election contest. One of the reasons why there were not more popular interest and a larger turn-out in local elections on the island was the feeling on the part of many voters that it would be a waste of time and money to go out and vote when they were not acquainted with at least one of the candidates and when no direct personal advantage was apparent in the success of a particular candidate. One of the important missions of the Kuomintang is to help the public realize the importance of participating in governmental affairs.

It was unfortunate that the Kuomintang had so long had no effective opposition from other political parties and that this circumstance had been a factor in the Party's failure to correct its faults and to withstand the Communists on the mainland. The Young China Party and the Democratic Socialist Party had not grown much in size and influence because, *inter alia*, the party leaders were ineffectual, being mainly of an intellectual disposition and not adept in politics. Moreover, the Young China Party has been rent with internal dissension and even yet has been unable to compose the differences which in June 1951 split the party in two.

7th National KMT

An important accomplishment of the Conference was the adoption of an official interpretation of Dr. Sun Yat-sen's Three People's Principles (San Min Chu Yi). This interpretation has been in preparation for some time and it will soon be published in both English and Chinese. In the past there have been too many different concepts of the meaning of the Three People's Principles. The Chinese Communists, knowing what a hold the Principles have upon the Chinese people, have distorted them to favor Communist ends. In the Kuomintang itself there have been divergent interpretations, depending upon intellectual background. Some have viewed the Principles from a traditional Confucian standpoint and others have interpreted in the light of Marxist principles learned during the early days of Kuomintang-Communist collaboration. A more uniform interpretation would give better direction to Kuomintang efforts to implement San Min Chu Yi.

The basic decision of the Conference was to make every effort, and to subordinate all other activities, to the recovery of the mainland. To free China from its Communist oppressors and to reconstruct it on the basis of Dr. Sun's teachings are the mission of the Party and of the Government. Rid of its disloyal, incompetent members and tightened in discipline and organization, the Party can now turn with vigor and determination to the achievement of its next great goal -- to counterattack the mainland (fan kung ta lu).

The recent Chinese Overseas Affairs Conference was successful to an "unexpected" extent. The 246 Chinese who came from all over the world -- with none of their travel expenses paid by the Chinese Government or the Kuomintang on Formosa -- was roughly double as many as had been planned for. Their enthusiasm about progress on Formosa and their eagerness to help the Government to regain the mainland also exceeded expectations.

After the removal of the Chinese Government to Formosa, the first overseas Chinese goodwill and inspection group

came from the Philippines in the first half of 1950 -- before hostilities in Korea began. The visit at that time of these overseas Chinese was especially heartening to the Government and people of Free China. Since then -- more infrequently at first and with increasing frequency during the past year -- overseas Chinese good will and inspection groups have come to Formosa. They have been welcomed and every effort made to satisfy their desire to know the island's real situation. Chinese leaders here have not tried to misrepresent conditions as better than they are. Some of the visitors have asked blunt questions. A recurrent one has been: "Is there as much corruption on Formosa as there was on the mainland?" To this query, the answer has been, in substance, that in the Chinese Government, as in other governments, there is a certain amount of corruption but that it is a fraction of what prevailed in the latter years on the continent. It would be absurd and incredible, [redacted] observed, to assert that there is no corruption on Formosa when one considers, for example, how badly government employees are paid. The practice of the Government and the Party has been to let overseas Chinese see and judge for themselves, not to feed them implausible stories of perfection, which would merely arouse disbelief and distrust.

Among the 300 resolutions passed by the Overseas Chinese Conference was one providing for the subscription by overseas Chinese within one year to a US\$100 million non-interest-bearing bond issue, payable within 10 years after the mainland's recovery. The initiative for this idea came from the overseas Chinese delegates -- not from the Government or Kuomintang -- and reflected their enthusiastic support of the Government. Actually, neither the Government nor the Party takes this resolution too seriously, since its timing was believed premature. When counteroffensive preparations have been almost completed and there is something concrete to offer the overseas Chinese -- towards rescuing their families and recovering their property on the mainland -- then the Government intends to ask them for large scale financial help. It does not consider however that now is the time.

Political work in the Chinese military establishment is not found in American or European (except Russian and Russian-satellite) armed forces but it is necessary in China because of the low educational standard of the average Chinese soldier and his lack of religion or philosophy. Also of great importance is the fact that political officers keep corruption at a minimum. When in 1945 political work in the Chinese Army ceased, corruption flourished. One reason for the defeat of the Chinese Army was widespread malfeasance by the officers, who pocketed the government monies allotted to buy food for the soldiers and thus found themselves leading ill-fed and disaffected

troops. Another cause of defeat was payroll padding, which greatly exaggerated the actual strength of the armies and thus led to disposition of inadequate forces to resist and Communist attacks. Having political officers check payrolls and food purchases can prevent such abuses. On Formosa today the troops are not paid much but they are paid regularly and payrolls are not padded.

While the Chinese Government and the Kuomintang wish to follow democratic principles and are moving towards democratic goals, progress is necessarily slow and can hardly be forced. The members of the Legislative Yuan are all for democracy but sometimes they are not too clear just what is involved. Premier CH'EN Ch'eng favors democracy but he is not pleased to have to come before the Legislative Yuan and present reports of what his administration has done and what it proposes to do. Least of all does he like to be questioned by the legislators, who are not infrequently rude (hen pu k'e ch'i). [REDACTED] told the Premier that while Legislative Yuan members are not always courteous, if the Premier had witnessed the ordeal ministers undergo in the British Parliament, he would consider the Chinese lawmakers "t'ai k'e ch'i" (too polite). The Premier replied that after all this was China, not Britain, and he still didn't like it. (30/12)

Referring to the Chinese saying, "Use poison to counteract poison" (), [REDACTED] said that was necessary to learn from the Communists and to use their methods against them, if none better were known. He remarked, however, that using poison was dangerous as the one seeking to poison others might be poisoned himself.

[REDACTED] learned a good deal about the Communists, who were arrested by the thousands in Shanghai. Many of them were students or other young people of radical ideas, who after a short period of detention and re-education were released.

[REDACTED] bitterly opposed President Chiang's stepping down from the Presidency on January 21, 1949, so that Li Tsung-jen might assume the office and try to make peace with the Chinese Communists.

[REDACTED] When in April 1949 it became apparent that peace negotiations with the Communists would not succeed, Acting President Li sent word to the Generalissimo, asking him to resume the Presidency. The Generalissimo replied that he had relinquished this post so that Li could try to make peace with the Communists and that he would not resume the Presidency after an interval of only three months. The Generalissimo urged Li to do his best to save the country and promised that he, as Director-General of the Kuomintang, would help him. Li's

failure to save the rapidly worsening military situation in China was due in considerable measure to the fact that he did not have the personal prestige to exact obedience from the country's military leaders. The latter would probably have continued to accept orders from the Generalissimo but they refused to take them from Li, whom they did not regard as one of their superiors.

COMMENT: The outstanding impression the reporting officer had from [redacted] statements was that the Kuomintang and Chinese Government will be stepping up the "back to the mainland" campaign and they will intensify their efforts to persuade the United States to rescind its neutralization of Formosa and to arm Free China for offense as well as defense. 33, (2)

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K. L. Rankin

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